



INDIANA *for* COMMISSION
HIGHER EDUCATION

TO: Indiana Higher Education Financial Aid Offices

FROM: Mary Jane Michalak, Associate Commissioner, Student Financial Aid *Unjm*

RE: Grade Point Average (GPA) Reporting Updated

DATE: August 3, 2012

The 2011 Indiana General Assembly passed SEA 577-2011, which introduces minimum Grade Point Average ("GPA") requirements for students renewing certain awards administered by the Indiana Commission for Higher Education ("CHE"). This legislation applies to students who *initially enroll after June 30, 2012* in an institution determined by CHE to be eligible for the award programs. Such students must maintain a certain cumulative GPA based on their class standing (freshman, sophomore, junior or senior) to renew their awards. These requirements apply to the Higher Education Award under IC 21-12-3, the Freedom of Choice Award under IC 21-12-4, the 21st Century Scholarship under IC 21-12-6, and the Children of Veterans Awards under IC 21-14-4.

Eligibility

CHE will grant a **renewal** only upon application and upon finding:

- 1) The applicant has successfully completed work of a preceding year. CHE interprets this to mean that the applicant has met Satisfactory Academic Progress ("SAP") as defined by the institution the applicant attends;
- 2) The applicant remains domiciled in Indiana;
- 3) The recipient's financial circumstances continue to warrant an award, based on the federally-calculated contribution amount and current tuition; and
- 4) **For an applicant who *initially enrolls in a CHE-eligible institution for a semester (or its equivalent) beginning after June 30, 2012, he or she maintains at least the following cumulative GPA:***

- a) For credit hours applicable to the equivalent of the applicant's **freshman academic year**, a cumulative grade point average that constitutes SAP as defined by the institution the applicant attends.
- b) For credit hours applicable to the equivalent of the applicant's **sophomore academic year**, a cumulative grade point average of **2.25 on a 4.0** grading scale as established by the eligible institution.
- c) For credit hours applicable to the equivalent of the applicant's **junior or senior academic year**, a cumulative grade point average of **2.5 on a 4.0** grading scale as established by the eligible institution.

NOTE: A "Professional degree student" is likely to be at least a junior and therefore a minimum GPA of 2.5 on a 4.0 scale as established by the eligible institution is required.

5) For an applicant who *initially* enrolls in a CHE eligible institution for a semester (or its equivalent) beginning *after* June 30, 2012, he or she is considered eligible subject to the following Probation (“warning”) Policy:

After the first semester (or its equivalent) at the eligible institution that a student does not achieve the requisite cumulative GPA specified in 4 (a), (b) and (c) above, the student is considered to be on warning status and must achieve the requisite cumulative GPA by the end of the next semester (or its equivalent) at the eligible institution to continue to receive benefits under this law. Students will only be allowed one warning semester, and students will receive funding during their warning semester. However, in each semester following the warning semester, a student will be eligible for aid if the GPA meets the requirements and ineligible for aid if the GPA does not. Students may move in and out of eligibility, but may not receive more than one warning period during their academic careers.

Information Sharing Between CHE and Schools

Once per year, after grades are posted for the spring semester (or May 31 for schools with alternative academic calendars), schools will provide a data file to CHE’s Division of Student Financial Aid (SFA) containing the information necessary to enforce the GPA requirements. The school will report the cumulative GPA and class standing (freshman, sophomore, junior, or senior, based upon the class standing applied to loan limits). Based on this information, CHE will set the warning status. The file provided to SFA should include a record for each student who has filed a FAFSA and indicates that his or her state of legal residence is Indiana. **Schools will not be permitted to claim awards until the annual file has been received by SFA.** A similar, but smaller, report will be required at the end of each semester (or its equivalent) and should contain the same data for all state financial aid recipients who are currently in or have previously used their warning semester.

SFA will include this information in the APPL and NOTF files sent for awards offered in the next academic year. The information will also be available via the xGrads application. The files will show the institution’s school code, academic term, class standing for each CHE recipient, the recipient’s GPA, and SAP status.

There will be a new field – “*Subject to GPA Requirement?*” – for all students. If a student is subject to the GPA requirement, the field will contain a “Y”, and, if GPA data (class standing, cumulative GPA, and warning status) is stored in GRADS for her/him, CHE will populate those fields, as well. If a student is not subject to the GPA requirement because she/he enrolled in an eligible institution prior to 7/1/2012, the new field will contain an “N”. If the new “*Subject to GPA Requirement?*” field contains a “Y” and the GPA fields are empty, the institution will know that they must obtain the student’s GPA information from another source.

Schools will be responsible for checking the GPA and warning status in the file when claiming an award on behalf of the student. If a school claims an award for a student that has used his or her warning semester and does not meet the GPA requirement per SFA’s database, SFA will return that claim as ineligible based on GPA. Schools may override the SFA-provided GPA if necessary. (For example, a student may have an “incomplete” at the time the GPA file was sent but have converted that to a letter grade by the following semester.) SFA will conduct school

audits to ensure compliance with GPA reporting standards, particularly in the case of students whose GPAs are altered to claim awards.

Students will also have access to the GPA and warning status on file via CHE's eStudent application.

After eight years, CHE will delete GPA data from its information system for any student who has not used state financial aid.

Transfer Students

Transfer students will be qualified the first renewal term using their previous institution's GPA, provided the student attended a CHE-eligible institution. SFA will provide known GPAs and probation status in the batch files and through xGrads as described in the previous section. The school accepting the transfer student will be responsible for checking the student's record via the xGrads system or the school's APPL or NOTF files to determine whether or not the student has already used his or her probation semester and to ensure that the GPA meets the requirements. This process will be subject to audit by CHE. Temporary summer attendance at another institution will not be considered as a transfer.

Appeals

Appeal guidelines for GPA status denials are being formulated and will be published online. CHE will make schools aware when this information is available.

New File Layout

In fall 2012, CHE will provide the schools with a file layout that will be used for the spring annual reporting requirement. **CHE respectfully requests that schools submit a preliminary trial submission of this data file in January 2013.** This information will be used for modeling purposes and to provide the 2013 General Assembly information about student GPA. While CHE will not use this data submission to confirm students are meeting GPA requirements, CHE expects schools will be using this data to confirm freshman students are meeting satisfactory academic progress, as required by law.

Frequently Asked Questions

Q. Student has a GPA reported in May/June that is below the minimum requirement. The student takes summer courses and raises his GPA above the requirement. Would he be on probation ("warning") for the fall term?

A. Warning will depend on whether the student used CHE financial aid during the summer term. If aid was used during the summer, the summer term would be considered the warning period for that student. If aid was not used during the summer, the school can override the reported GPA and the student would not be on warning for either the summer or fall term.

Q. At the end of the year, the student has not progressed from freshman to sophomore status. What would the student be considered, for purposes of the GPA requirement, if he progresses during the next academic year?

A. Schools should self-police to ensure the statutory requirements are being upheld.

Q. A freshman student does not complete enough hours to be considered a sophomore. A "SAP" appeal is granted. What should be reported for this student?

A. When reporting the GPA, indicate SAP was achieved because of appeal. The school may need to override the student's information in the GPA report. The student would not be subject to a probation period for the succeeding term.

Q. Will the GPA files from different campuses reflect a student's status every semester to determine when probation ("warning") occurred?

A. The file will not indicate when warning occurred but will indicate whether or not the student has used the warning term previously.

Q. Do schools include developmental or remedial course GPAs?

A. If the school includes the GPA for financial aid purposes, it should continue to do so.

Q. Can CHE require schools to submit GPA and class year information of students filling out a FAFSA?

A. Yes. FERPA generally requires that a student provide written consent before personally identifiable information is disclosed from their educational records. See 34 C.F.R. §99.30. Nevertheless, 34 C.F.R. §99.31 provides a lists of exceptions to the consent requirements. One such exception is a disclosure "in connection with financial aid for which the student has applied or which the student has received" as long as the information "is necessary to: (A) determine eligibility for the aid[.]" 34 C.F.R. §99.31(a)(4)(i). Financial aid is defined as "a payment of funds provided to an individual (or a payment in kind of tangible or intangible property to the individual) that is conditioned on the individual's attendance at an educational agency or institution." 34 C.F.R. §99.31(a)(4)(ii).

CHE grants state financial aid to students enrolled in eligible institutions. The only application CHE requires is the FAFSA. Therefore, a student attending an eligible institution who files a FAFSA applies for state financial aid. P.L. 169-2011 added a GPA requirement for certain state grant and scholarship programs. See e.g. IC 21-12-3-9. The GPA requirement is different depending on the students' year in school. The FAFSA does not ask for a student's GPA or year in school. Since the student's GPA and year in school is necessary to determine the student's "eligibility for the aid" the information may be disclosed without the consent usually required under 34 C.F.R. §99.30.

Q. If an instructor submits a grade change to the registrar's office an entire semester or a year after the fact, how will this affect the student's eligibility? For example, a student has a grade change for fall 2013 semester that doesn't take place until May 2014. Due to the original GPA submitted, the student was placed on probation for spring 2014. The grade change submitted in May 2014 boosts the student's overall GPA. Does the student's probation ("warning") period get waived?

A. Instances like the hypothetical used above will be reviewed on a case-by-case basis.

Q. Mary is an Indiana resident who started at IU in fall 2011, finished the year there and did not file FAFSA. For fall 2012, she is transferring to UE, has filed the FAFSA, and is CHE aid eligible. Is Mary under the new rules?

A. No, the GPA requirements apply to students first entering "eligible" undergrad studies after June 30, 2012. According to IC 21-12-3-9: "if the student initially enrolls in an **eligible institution** for a semester (or its equivalent) **beginning after June 30, 2012**, the student maintains at least the following cumulative grade point average:....."

In this example, Mary was already enrolled at an eligible institution (IU) prior to June 30, 2012.

Q. Kim started at the University of Kentucky in fall 2011, filed FAFSA and finished the year there. For fall 2012 she transfers to UE, files FAFSA, is an Indiana resident and is CHE aid eligible. Is Kim under the new rules?

A. The GPA requirements apply to students first entering "eligible" undergrad studies after June 30, 2012. According to IC 21-12-3-9: "if the student initially enrolls in an **eligible institution** for a semester (or its equivalent) **beginning after June 30, 2012**, the student maintains at least the following cumulative grade point average:....."

Eligible institutions are institutions that have participation agreements with CHE (formerly SSACI). The University of Kentucky does not have such an agreement. Therefore, the student is entering an eligible institution (UE) after June 30, 2012, so she will be under the new rules.

However, the first time the GPA comes into play would be for the first award renewal term, not for fall 2012, when she transfers into UE and is first eligible for a state award. The section of code that addresses the GPA requirement is titled "Renewal of awards." According to IC 21-12-3-9(a), "A higher education award for a student in a program leading to a baccalaureate degree may be **renewed** for a total of three (3) undergraduate academic years following the academic year of the first award or until an earlier time as the student receives a degree normally obtained in four (4) undergraduate academic years. A higher education award for a student in a program leading to a technical certificate or an undergraduate associate degree may be **renewed** for the number of academic years normally required to obtain a certificate or degree in the student's program. The commission may grant a **renewal** only upon application and only upon its finding that..." (emphasis added.)

Q. Sue started at IU in fall 2011 and filed FAFSA and got CHE aid. She transfers to UE, files FAFSA for fall 2012, and is CHE aid eligible. Is Sue under the new rules?

A. No. The GPA requirements apply to students first entering “eligible” undergrad studies after June 30, 2012. According to IC 21-12-3-9: “if the student initially enrolls in an **eligible institution** for a semester (or its equivalent) **beginning after June 30, 2012**, the student maintains at least the following cumulative grade point average:.....”

In this example, Sue was enrolled at an eligible institution (IU) prior to June 30, 2012.

Q. Jen started at Michigan in fall 2011 and filed FAFSA. She only stayed there one semester. In January of 2012, she transferred to Ivy Tech in Kokomo, and attended, but was not eligible for any CHE aid, even though she had filed the FAFSA and is an Indiana resident. Now, for fall 2012, she is transferring to UE. Is Jen under the new rules?

A. No. The GPA requirements apply to students first entering “eligible” undergrad studies after June 30, 2012. According to IC 21-12-3-9: “if the student initially enrolls in an **eligible institution** for a semester (or its equivalent) **beginning after June 30, 2012**, the student maintains at least the following cumulative grade point average:.....”

In this example, Jen was already enrolled at an eligible institution (Ivy Tech Kokomo) prior to June 30, 2012.

Q. Chris will attend ISU this fall semester as a freshman (never attended prior to June 30, 2012). She filed FAFSA, and will get no CHE aid. IF, in January 2013, she decides to transfer to UE where she will be eligible for state aid, we believe we must treat her under the NEW RULES, and base her spring CHE award at UE on the fall semester ISU grade point average. Is that right?

A. This is a two-part answer.

Yes, as a transfer student initially enrolling after June 30, 2012, Chris would have to adhere to the GPA requirements. The GPA requirements apply to students first entering “eligible” undergrad studies after June 30, 2012.

According to IC 21-12-3-9: “if the student initially enrolls in an **eligible institution** for a semester (or its equivalent) **beginning after June 30, 2012**, the student maintains at least the following cumulative grade point average:.....”

In this example, Chris enrolled at an eligible institution (Indiana State University) after June 30, 2012, therefore she falls under the GPA requirement.

However, the first time the GPA comes into play would be for the first award renewal term, not for spring 2013 (when Chris is first eligible for a state award.) The section of code that addresses the GPA requirement is titled “Renewal of awards.” According to IC 21-12-3-9(a), “A higher education award for a student in a program leading to a baccalaureate degree may be **renewed** for a total of three (3) undergraduate academic years following the academic year of the first award or until an earlier time as the student receives a degree normally obtained in four (4) undergraduate academic years. A higher education award for a student in a program leading to a

technical certificate or an undergraduate associate degree may be **renewed** for the number of academic years normally required to obtain a certificate or degree in the student's program. The commission may grant a **renewal** only upon application and only upon its finding that..." (emphasis added.)

School partners with questions on this topic should contact CHE by phone at 317-232-2372 or via email at CollegeFA@sfa.che.in.gov.

Students with questions should contact the SFA Awards Division at 317-232-2372 or awards@sfa.che.in.gov.

